

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:5646
ANSWERED ON:02.05.2002
POWER ALLOCATION FORMULA
VSM (RETD.) COL. CHOUDHARY

Will the Minister of POWER be pleased to state:

- (a) whether the Government have received any proposal from the Government of Rajasthan for review of power allocation formula from Central Power Generating stations;
- (b) if so, the status of the proposal;
- (c) whether the Government have decided in principal to review the power allocation based on the analogy of distribution of Central Taxes/Plan/Assistance to the States; and
- (d) if so, the time by which this review are likely to be undertaken and finalised?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : According to the formula for sharing of power from Central Sector powerstations, power was allocated among the States/UTs of a region in accordance with the Central Plan Assistance and actual energy consumption in the State of the region for previous five years, the two factors being given equal weightage. The Gadgil formula which forms the basis of allocations of Central Plan Assistance to the States in its different modified forms, has been giving weightage to the population, per capita income, performance of tax efforts, fiscal management etc.

It has been decided by the government in April, 2000 to treat the existing `formula` for allocation of power to the States/UTs from new Central Sector power stations as `guidelines` so as to link the allocation of power with their need and capacity to pay. However, there is no change in the contents of the formula and it does not disturb the allocation already made from the Central Sector power stations. Under the `guidelines` power from the new Central Sector power stations will be made to the States/UTs as per their entitlement subject to the Power Purchase Agreements (PPAs) to be signed by them with the Central Public Sector Undertakings concerned. No further review of the `guidelines` is presently envisaged.